

REGULATORY AUTHORITY

June 26, 2001

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EXECUTIVE SECRETARY

Mr. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: 1-800-RECONEX, Inc. (Docket No. 01-0037) *01-00337*

Dear Mr. Waddell:

Pursuant to my conversation with Mr. Daryl Whitis, please find the additional information requested regarding the financial position of 1-800-RECONEX, Inc. ("Reconex") outlined below.

Why does the Applicant have a negative cash equivalency account?

This account includes the various checking accounts maintained by the company. The separate Money Market Account is another cash equivalency account listed independently to facilitate visibility of the account's balance. The total of these two lines would be the true cash position of the company.

1. Since the Applicant has a negative net equity and negative net income, where is the Applicant going to get the financial resources to offset the negative amounts?

Negative equity and income do not in themselves impair the company's ability to operate in the future; rather a negative cash flow would. Accordingly, it is not necessary to get financial resources to offset negative amounts (i.e. net equity and net income).

2. How was a positive net income in the first half of 2002 projected in the last set of data request responses submitted by the Applicant?

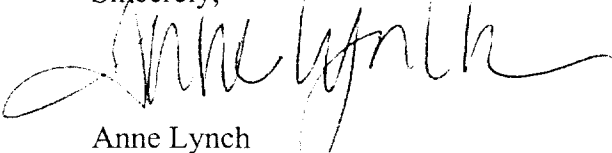
Reconex based this positive net income on the trends indicated for the remainder of 2001 which are in part based on new marketing strategies. These trends and forecasts are proprietary in nature and as such it would be our preference not to disclose their contents to the Commission in such a fashion as would render them public records subject to outside inspection.

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Reconex was issued a Certificate of Authority to Resell Telecommunications Services in the state of Tennessee, Case No. 97-1188, on July 9, 1997. Reconex has been providing quality telecommunications service to its customers in the state of Tennessee since that time, and is confident that its financial position is sufficient to continue to do so. Further, a surety bond in the amount of \$20,000 is currently in place with the Tennessee Regulatory Authority, Bond No. TN 1110. The service history of Reconex along with the surety bond currently in place should demonstrate Reconex's ability and commitment to provide quality telecommunications service throughout the state of Tennessee.

I hope that the above responses provide you with the information you need to approve the Application of 1-800-RECONEX, Inc. If you have any questions or need any further information, please do not hesitate to contact me directly at 503-982-5572 or anne.lynch@reconex.com.

Sincerely,



Anne Lynch
Regulatory Manager